



CITY OF BEVERLY
Low/Moderate Income Exemption
COMMUNITY PRESERVATION ACT SURCHARGE

Fiscal Year 2015

Exemption Eligibility Requirements

1. **Applicant must own the property as of January 1, 2014.** May be (1) sole owner, (2) co-owner, (3) life tenant or (4) trustee with sufficient beneficial interest in property under terms of trust.
2. **Applicant must occupy the property as primary residence as of January 1, 2014.**
3. **Applicant and each co-owner must not exceed the household income limit for the calendar year before January 1, 2014 for that owner's household type and number** (see Chart below for specific formula by household type). For property subject to trust, each co-trustee must meet income standard.

Calculation of Each Owner's Household Income

1. Household annual gross income from all sources.

Includes wages, salaries and bonuses, public and private pensions, retirement income, Social Security, alimony, child support, interest and dividend income, net income from business, public assistance, disability and unemployment insurance, regular contributions/gifts from party outside of the household.

2. Deduct Dependents Allowance.

Number of dependents on January 1, 2014 (not spouse) x \$ 300. (Established by the State Department of Housing and Community Development, 760 Code of Massachusetts Regulation 6.05(4). Currently \$300 deduction per dependent.)

3. Deduct Medical Expenses Exclusion.

Total out of pocket medical expenses of all household members for calendar year preceding January 1, 2014 (total must exceed 3% of household annual gross in order to be deducted). Out of pocket medical expenses include health insurance premiums, payments to doctors, hospitals and other health care providers, diagnostic tests, prescription drugs, medical equipment or other expenses not paid or reimbursed by employers, public/private insurers or other third parties.

4. Equals Household Annual Income for CPA Exemption.

Cannot exceed **Annual Income Limit for Household Type and Size** (see below)

The Annual Income Limit is based on the Area Wide Medium Income (AWMI) set by the U.S. Department of Housing and Urban Development (HUD). All calculations rounded to nearest \$50.00.

| Household Size (# persons) | Senior Household (60+ yrs) | Non-senior Household |
|----------------------------|----------------------------|----------------------|
| 1 person | 65,850 | 52,700 |
| 2 person | 75,300 | 60,200 |
| 3 person | 84,700 | 67,750 |
| 4 person | 94,100 | 75,300 |
| 5 person | 101,600 | 81,300 |
| 6 person | 109,150 | 87,300 |
| 7 person | 116,700 | 93,350 |
| 8 person | 124,200 | 99,350 |